

**BOROUGH OF MYERSTOWN
WASTE WATER TREATMENT REVENUE ACCOUNT**

**TREATMENT REPORT, CALCULATION OF
SHARED EXPENDITURES AND CALCULATION OF
AMOUNTS DUE TO/FROM MYERSTOWN**

DECEMBER 31, 2018

**BOROUGH OF MYERSTOWN
WASTE WATER TREATMENT REVENUE ACCOUNT
TREATMENT REPORT, CALCULATION OF SHARED EXPENDITURES, AND
CALCULATION OF AMOUNTS DUE TO/FROM MYERSTOWN
December 31, 2018**

TABLE OF CONTENTS

	PAGE NO.
INDEPENDENT ACCOUNTANT'S REPORT	1
FINANCIAL STATEMENTS	
Calculation of Shared Expenditures For the Year Ended December 31, 2018	2
Calculation of Amounts Due To/From Myerstown For the Year Ended December 31, 2018	3
Notes to Financial Statements	4



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INDEPENDENT ACCOUNTANT'S REPORT

Members of Borough Council
BOROUGH OF MYERSTOWN
Myerstown, Pennsylvania

We have examined the accompanying Borough of Myerstown's Waste Water Treatment Revenue Account Calculation of Shared Expenditures and Calculation of Amounts Due To/From Myerstown as of and for the year ended **December 31, 2018**. The Borough of Myerstown's management is responsible for the Calculation of Shared Expenditures and Calculation of Amounts Due To/From Myerstown and Waste Water Treatment Revenue Account Treatment Report in accordance with the inter-municipal agreements. Our responsibility is to express an opinion on the Treatment Report, Calculation of Shared Expenditures, and Calculation of Amounts Due To/From Myerstown based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Calculation of Shared Expenditures and Calculation of Amounts Due To/From Myerstown are in accordance with the inter-municipal agreement, in all material respects. An examination involves performing procedures to obtain evidence about the Calculation of Shared Expenditures and Calculation of Amounts Due To/From Myerstown. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Calculation of Shared Expenditures and Calculation of Amounts Due To/From Myerstown, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

The accompanying calculations were prepared to present the shared expenditures and amounts payable by Myerstown pursuant to the inter-municipal agreements described in Note 1.

In our opinion, the accompanying Calculation of Shared Expenditures and Calculation of Amounts Due To/From Myerstown referred to above presents, in all material respects, the shared expenditures and amounts due from Myerstown as of December 31, 2018 and for the year then ended in conformity with the inter-municipal agreements described in Note 1.

The report is intended solely for the information and use of the parties to the inter-municipal agreements detailed in Note 1 and should not be used for any other purpose.

Stanilla, Siegel and Maser LLC

Lebanon, Pennsylvania
April 11, 2019

BOROUGH OF MYERSTOWN
WASTE WATER TREATMENT REVENUE ACCOUNT
CALCULATION OF SHARED EXPENDITURES
For the Year Ended December 31, 2018

Total shared expenditures per financial statements	\$ 866,449
Less: Pension Reimbursement	(14,053)
Act 339	(3,838)
Health Insurance Surplus Reimbursement	(771)
Industrial Surcharge	(795)
Sludge Disposal Rebates	(4,153)
Accrued wages and vacation adjustment	-0-
Flood Expense for later reimbursement	(118,359)
Shared assets capitalized for financial statements	-0-
	<hr/>
Net total shared expenditures	<u>\$ 724,480</u>

Gallons treated (thousands)	986,770
Cost per thousand gallons treated (cents)	0.73419
Myerstown's share - 62.5%	
(Thousand gallons)	616,731
(Dollars)	\$ 452,800
Jackson's share - 26.5%	
(Thousand gallons)	261,494
(Dollars)	\$ 191,987
Richland-Millcreek's share - 11.0%	
(Thousand gallons)	108,545
(Dollars)	\$ 79,693

See Accompanying Independent Accountant's Examination Report and Notes to Financial Statements

BOROUGH OF MYERSTOWN
WASTE WATER TREATMENT REVENUE ACCOUNT
CALCULATION OF AMOUNTS DUE TO/FROM MYERSTOWN
For the Year Ended December 31, 2018

	<u>Jackson</u>	<u>Richland- Millcreek</u>
Net shared expenditures	\$ 191,987	\$ 79,693
Repairs		461
Jackson transmission (\$.02 per thousand gallons)	<u>5,230</u>	
Total Due Myerstown	\$ 197,217	\$ 80,154
Less: Payments to Myerstown for 2018 operating expenses	<u>151,196</u>	<u>73,629</u>
Balance due to (from) Myerstown	<u><u>\$ 46,021</u></u>	<u><u>\$ 6,525</u></u>

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**BOROUGH OF MYERSTOWN
WASTE WATER TREATMENT REVENUE ACCOUNT
CALCULATION OF SHARED EXPENDITURES AND CALCULATION OF AMOUNTS DUE
TO/FROM MYERSTOWN
December 31, 2018**

NOTE 1 - INTER-MUNICIPAL AGREEMENTS

The Borough of Myerstown maintains its Waste Water Treatment Revenue Account in accordance with the terms of two inter-municipal agreements. These agreements which govern the treatment report, calculation of shared expenditures and calculation of amounts due Myerstown are with the Township of Millcreek, the Borough of Richland, and the Richland Millcreek Joint Sewer Authority, and with Jackson Township and the Jackson Township Authority. The purpose of these agreements is to have the municipalities share the costs of the wastewater treatment facility and to specify the cost sharing of operations and future expansion.

NOTE 2 – FLOOD EXPENSE

During 2018 the Borough underwent a significant flood event. As agreed to in the inter-municipal agreement, reimbursement of costs related to this event will be negotiated separately among the parties to the agreement. As a result, the flood expense shown in the financial statements is removed from the accompanying calculations.

NOTE 3 – WASTE WATER FLOWS

During 2018 an issue with the reading of flows was discovered. As a result, meter reads could not be taken for the latter part of 2018. The entities involved in the agreement agreed to set percentages for the allocation of costs until the meter situation can be resolved. The percentages agreed to are:

Millcreek-Richland Joint Authority	11.0%
Jackson Township	26.5%
Myerstown Borough	62.5%